Islamic Religiosity integration in maintaining auditor professional ethics

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ABSTRACT: This study utilizes qualitative methods with a critical approach. Data collection is conducted through interviewing techniques and other secondary data support. Data analysis method uses critical constructivism by testing the validity of data based on data triangulation and theory. The results of the study found that Islam offers all aspects of ethics in life including the profession of auditors based on the example of the Prophet Muhammad p.b.u.h. where one of the characteristics most relevant to the auditor is honesty. Auditors who have a high level of religiosity can prevent themselves from committing ethical violations. The more religious the auditor, the more ethical and well behave they are. Thus, religiosity could maintain the professional ethics of auditors, but it should be in the sense of true religiosity, not just "fake" religiosity.

Keywords: Religiosity, Islam, Professional Ethics

1 INTRODUCTION

Public sector auditors and audit institutions have a strategic role in order to create a process of public accountability. In Indonesia, the agency responsible for carrying out accountability and transparency in state finances is the Supreme Audit Agency (BPK) (Halim & Kusufi, 2014: 368). However, the violations of the code of ethics, lately, in both the public and private sectors still occur. Such as the case of the Enron audit failure involving one of Arthur Andersen's big five public accounting firms and audit failures in Indonesia such as the PT Telkom case involving KAP Eddy Pianto and friends (Himmah, 2013; Sirajuddin, 2013; Al-Qaitsh et al, 2014; Alani & Alani, 2012; Yunanda & Majid, 2011; Ibrahim, 2015). In the public sector, ethical violations also occur in the BPK. Taking an example from the case of buying and selling WTP opinions by BPK RI officials by changing WDP opinions to WTP opinions on the financial statements of the Ministry of Village, Development of Disadvantaged Regions, and Transmigration (Rozie, 2017). As well as the Mulyana W. Kusuma case that occurred around 2004, Mulyana W. Kusuma as a KPU member al-legedly bribed BPK members who at that time would conduct financial audits relating to the procurement of election logistics (Pravitasari, 2015).

Religion is one of the most important factors in influencing individual behavior (Ho, 2009; in Espinosa-Pike & Barraǹkua-Aroztega, 2014). Ethics in Islam are explained in Surah Al-Qalam 68: 4 & H.R. Ahmad Ibn Hauhab “Indeed I was sent to perfect Morals”. The verse and hadith explain that the Prophet Muhammad s.a.w. is a role model for human being in living his life. It also covers ethics. Islam offers ethics in all aspects of business and profession based on the example of the Prophet Muhammad p.b.u.h. (Sirajuddin, 2013; Al-Qaitsh et al., 2014; Saadeh et al., 2016).

Many cases of ethical violations occur due to the loss of the values of religiosity in the auditor.
The loss of the value of religiosity will make the auditor being unable to distinguish between good and bad (Kusumaningtyas, 2016). Religious ability is very important as a stronghold in the implementation of responsibilities and audit work for auditors (Sitompul et al., 2014).

Therefore, researchers see the urgency to conduct research related to auditor ethics in terms of Islamic religiosity due to the importance of auditors to maintain their ethics in carrying out their work. Muslim auditors not only have social responsibility to the community and their profession, but Muslim auditors also have responsibility to Allah s.w.t. (Ibrahim, 2015; Yunanda & Majid, 2011; Alani & Alani, 2012).

2 RESEARCH METHODS

This research was conducted and used data sources at one of the BPK offices in Indonesia, namely the BPK RI Representative of South Sulawesi Province located at Jalan Andi Pangeran Pettarani, Banta-Bantaeng, Makassar District, Makassar City, South Sulawesi 90222. The type of research used was qualitative research by using a critical paradigm.

The data collection methods used in the study are deep interview, literature review, documentation study, and internet searching.

The process of data analysis is carried out since the collection of data until the completion of the data collection process. The processes are divided into three stages, namely; 1) data reduction; 2) data presentation; and 3) conclusion.

Validity is a measure that shows the levels of validity or validity of an instrument. An instrument is said to be valid if it is able to measure what is desired and can reveal data from variables that are examined appropriately. The high and low validity of the instrument shows the extent to which the collected data does not deviate from the description of the intended validity.

Reliability is something an instrument is quite reliable to use as a data collection tool because the instrument is good. Reliability tests produce an index number to show the consistency of a measuring device in measuring the same symptoms. Each measuring instrument should have the ability to provide consistent results.

Classic assumption test is a statistical requirement that must be met in multiple linear regression analysis based on ordinary least square. In the classic assumption test consists of four assumptions, namely the assumption of normality, multicollinearity, heteroscedasticity, and linearity.

3 RESULT AND DISCUSSION

3.1 Auditor Professional Ethics in the Islamic Perspective

In Islamic teachings, ethics guides all aspects of human life (Harnakeri, 2013; Lewis, 2001 in Espinosa-Pike & Barrainkua-Aroztegi, 2014) therefore Muslim auditors must perform their duties in accordance with this and base their actions on Islamic ethical norms. Harahap (2008) in Kusumaningtyas (2016) states that Islam also regulates the aspects and values of the accounting profession, not just worldly thinking but also must be able to deliver all parties, such as the management, employees, investors, analysts and accountants to the safety while living in the world and the hereafter.

In regard to ethics which is one of the muamalah (social) cases related to human actions, the term most closely related to the term ethics in Islam contained in the Qur'an is khuluk. Al-khuluk means intentions, manners, habits, patience, imagination. While khuluk changes become Akhlak/moral (Sirajudin, 2013; Ibrahim, 2015). The moral words are taken clearly from the hadith of the Prophet Muhammad p.b.u.h., “Indeed I was sent to perfect morality” (H.R. Ahmad Ibnu Haubab). Islam offers ethics in all aspects of business and profession based on the example of the Prophet Muhammad p.b.u.h. (Sirajudin, 2013; Al-Qtaish et al., 2014; Saadeh et al., 2016).

In the profession of auditors, honesty is a value that is very influential for that profession. This honest attitude is reflected in the nature of the Prophet Muhammad p.b.u.h. As explained earlier that Islam offers ethics in all aspects of business and profession based on the example of the Prophet Muhammad p.b.u.h. described in Q.S. Al-Anbiyaa ‘21: 107 and Q.S. Al-Qalam 68: 4. Both verses explain that in social life (muamalah), a Muslim must make the Prophet Muhammad p.b.u.h. as his role model in living his life which includes in ethical matters. Honest attitude is also stated in the Republic of Indonesia Supreme Audit Agency Regulation Number 2 of 2007
concerning the Code of Ethics of the Republic of Indonesia Supreme Audit Board where it is stated in Article 4 paragraph 1 (c), that is, being honest while holding the secrets of the parties examined and Article 7 paragraph 1 (c), that is, being honest and forthright without having to sacrifice the confidentiality of the party being examined. From these two sources of ethics, it can be seen that in maintaining the ethics of their profession, auditors at the BPK have followed the orders of their religion and at the same time adhered to their ethical code.

3.2 Islamic Religiosity in Maintaining the Auditor's Professional Ethics

In the Code of Ethics of Indonesian Institute of Accountants, there are a professional and public interest responsibilities. Where the auditor in carrying out his work has a responsibility to their profession and society. According to the Republic of Indonesia BPK guidebook entitled "Getting to Know More about the BPK: A Popular Guide" explained that the BPK developed a code of ethics to maintain public trust in BPK. The code of ethics prevents the auditor from conduct inappropriate acts that can reduce the public trust. Public trust in auditors could be missing when there is a violation of a code of ethics. When the auditor violates, this has an impact on the auditor himself, in the BPK there are sanctions in the form of dismissal or dismissal with disrespect when the auditor violates the code of ethics. Every attitude and ethical or unethical actions taken by the auditor will provide benefits or rewards for themselves as reflected in Q.S. al-Isra '17: 15 and Q.S az-Zalzalah 99: 7-8.

In Islam, the auditor must also be accountable to Allah s.w.t. in every attitude and action that he does in his work. As in what is reflected in Q.S al-Anfaal 8:27 and Q.S. al-Ahzab 33: 72. The two verses explain that everything that human beings obtain in their lives is a mandate given by Allah s.w.t. as a caliph on earth, so he must account for everything he gets. Muslim auditors not only have the mandate (trust) from the institution and the community to give their true opinions on what they do, but also have the mandate from Allah s.w.t. in his work.

Religiosity has a big influence on someone's life so that people who have high religious values no longer think of their own interests but also think of those around them (Kusumaningtyas, 2016). A person's religiosity cannot be seen directly because it may be just a cover that is used to cover up his badness. But when the value of religiosity really embedded in someone heart then it can create a good work ethic. Fauzan and Tyasari (2012) state that religiosity is very important in creating a good work ethic, not only having responsibility to other humans but also to the God, Allah s.w.t. so it could produce the human resources that are honest and highly dedicated to their work.

Therefore, the root of the Qur'anic ethics is believing in Allah s.w.t. (Rahardjo, 1996: 421). When the auditor has faith in him, God willing, he will avoid unethical actions. Because every attitude and action will be accounted for to God. Weibe and Fleck (1980) in Wati and Sudibyo (2016) found that someone who accepts religion as the main focus of their lives tends to have attention to higher moral standards, discipline and responsibility than those who are not religious.

In this case, religiosity can maintain the professional ethics of the auditor. But in the sense of true religiosity, because many people are only "pretending" to be religious. The ideal condition of religiosity is able to maintain the auditor in the professional ethics, the more religious someone is, the higher possibility for him in behaving ethically in his profession. This is in line with the research of Kusumaningtyas (2016) that religious values will help accountants to behave according to ethics, where the teachings of religion have explained how to have a good ethical act. Eventually, an accountant who has indirect religious value he will have fear if he violates God's commands. However, this is not in line with the results of the research of Suryanto (2016) which explains that dysfunctional behavior does not correlate with Islamic work ethics and auditor opinion.

4 CONCLUSION

Based on the results and previous discussion, conclusions were obtained. In Islam, ethics regulates all aspects of human life, including the profession of auditors. Islam offers all aspects of ethics in life including the profession of auditors based on the example of the Prophet Muhammad p.b.u.h. by having one of the most relevant characteristics of the Prophet Muhammad namely honesty. Islamic Religiosity can maintain the
professional ethics of auditors. To maintain this, the auditor must carry out professional ethics that have been regulated by his institution. When auditors have a high level of religiosity, this can prevent the auditor from committing ethical violations. If the auditor is more religious, the auditor tends to behave and act ethically. Thus, religiosity can maintain the professional ethics of auditors, but it should be in the sense of true religiosity not only the "fake" religious act. Future research should analyse other aspects that can influence the auditor's attitude or behaviour in ethics such as environment, ability, or business.

REFERENCES


